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FISCAL IMPACT STATEMENT

LS 6935

BILL NUMBER: HB 1120

NOTE PREPARED: Feb 18, 2003

BILL AMENDED: Feb 17, 2003

SUBJECT: School corporation performance report.

FIRST AUTHOR: Rep. Porter

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill changes the required publication date and some components of school corporation annual performance reports (APR). The bill provides for reports to be made available on the Internet. The bill requires school corporations to provide free copies of reports upon request. The bill removes language concerning the performance based accreditation program.

Effective Date: July 1, 2003.

Explanation of State Expenditures: (Revised) *Summary:* No additional expenditures would be required at the state level for the proposed changes to the APR. Currently, the data from school corporations that is used for school corporation APRs is already provided to the Department of Education and placed into the Department's databases. The bill would allow the Department additional time to collect this data for the 2003 school year. The Department should not incur additional expenditures by the requirement to post on the Department's Internet site each school corporation's annual report. The Department already maintains an Internet site including reports and data on other educational topics.

Graduation Rate: Under the bill, the Department would be required to calculate the graduation rate with a new methodology, beginning with the graduating class of 2005-2006. Under current law, the Department has been engaged in a pilot program with ten school corporations implementing the new methodology. When the methodology becomes standard statewide, the Department anticipates that additional administrative time may be required to relay information on the changes made to the methodology to the remaining school corporations and to the general public. It is possible that workshops the Department currently provides for school corporations could incorporate the methodology changes in their agenda.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *Summary:* By moving the publication of the school year 2002-2003 APR from September 2003 to January 2004, school corporations could experience a one-time decrease in expenditures related to publishing costs in CY 2003. Savings would depend on the school corporation and local action on the choice of publication used. Approximately 289 school corporations operate on a calendar year budget.

Contents of the Report: The bill changes the requirements on contents of the APR. Additional benchmark/indicator information for student enrollment, more detailed financial information, and various school performance-related cost factors would be required in the report under the bill. More detailed counts of teachers that are certified employees and teachers teaching in the subject area for which they are licensed would also have to be included in the APR. An APR must include number of students receiving expulsions and those expelled in other recognized education programs. However, under the bill, staff professional development and number and types of partnerships with the community, business, or higher education, and levels of parental participation would be included in the report at the discretion of the school corporation.

Graduation Rate: The bill, would place additional administrative responsibilities on school corporations to collect additional and more specific information regarding student enrollment for the calculation of the graduation rate under the bill.

Background on Publishing Charges: Under current law, basic publishing charges are by the line with squares of 250 ems. Before January 1, 1996, the rate was \$3.30 per square for the first insertion in a newspaper or qualified publication plus \$1.65 per square for each additional insertion in a newspaper or qualified publication. After December 31, 1995, and before December 31, 2005, a newspaper or qualified publication may, effective January 1, increase the basic charges by 5% more than the basic charges that were in effect during the previous year. However, the basic charges for the first insertion of a public notice in a newspaper or qualified publication may not exceed the lowest classified advertising rate charged to advertisers by the newspaper or qualified publication for comparable use of the same amount of space for other purposes. An additional charge of 50% is allowed for the publication of all public notice advertising containing rule or tabular work.

Background on ADM: For the 2001-2002 school year, Indiana's average daily membership (ADM) consisted of 959,611 students, and public school enrollment totaled 995,507. Approximately 1,900 public schools were in operation within Indiana's 293 school corporations during that time.

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Education.

Local Agencies Affected: School corporations.

Information Sources: Terry Spradlin, Indiana Department of Education, (317) 232-6671; DOE SAS and ORACLE DATABASES.

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